

**DEPARTMENT OF STATE REVENUE****LETTER OF FINDINGS NUMBER: 02-0480P****Gross and Adjusted Gross Income Tax  
For Calendar Year Ended December 31, 2000**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE(S)****I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the proposed penalty assessment for the underpayment of estimated tax. The taxpayer states it was acquired in January 1999 and was one of several acquisitions. Tax matters are handled in New York and the tax department had an extremely heavy tax compliance calendar and estimated payments were calculated using the best data available. The Department issued its underpayment penalty liability on July 29, 2002.

**I. Tax Administration – Penalty****DISCUSSION**

Taxpayer protests the penalty assessed and states that it did not intentionally underpay taxes that were due.

To avoid the penalty, the quarterly estimate must equal at least twenty percent (20%) of the total income tax liability for the current taxable year or twenty-five percent (25%) of the final income tax liability for the prior taxable year.

The prior year's tax was \$53,437. The taxpayer remitted \$10,350 in estimated taxes with the balance in the amount of \$30,658 being paid after the original due date of the return. Taxpayer has not provided reasonable cause to allow a penalty waiver.

**FINDING**

Taxpayer's protest is denied.